

Fiscal Note

Fiscal Services Division



HF 2357 – Vehicle Registration Fee, Donations (LSB 5725HH)
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Fiscal Note Version – New

Description

House File 2357 establishes an annual registration fee of \$10 for motor vehicles donated to a nonprofit entity intended to be rebuilt for redonation to a needy individual. There may be no consideration given for the initial donation. HF 2537 also exempts the donation from the fee for new registration that is 5.0% of the purchase price of the vehicle.

Background

Currently, nonprofit entities that receive donated vehicles are required to pay an annual registration fee that is determined in Iowa Code sections [321.109](#) and [321.113](#). The minimum amount for this fee is \$50. Vehicles donated without consideration are currently exempt from the fee for new registration.

Assumptions

All vehicles donated to nonprofit entities will be charged a minimum \$50 annual registration fee under current law.

Fiscal Impact

The number of vehicles donated to nonprofit entities intended to be redonated to a needy individual is unknown. The fiscal impact of HF 2357 cannot be determined. However, this provision will reduce revenue to the Road Use Tax Fund (RUTF). Revenue to the RUTF will be decrease by a minimum of \$40 per vehicle donated to a nonprofit intended to be donated to a needy individual.

Sources

Legislative Services Agency
Iowa Department of Transportation
Iowa Department of Revenue

/s/ Holly M. Lyons

February 25, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
